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TARANIS RESOURCES INC.

Taranis Updates Due Diligence Activities Pertaining to Acquisition of FortyTwo Metals

Estes Park, Colorado, January 20, 2021 – Taranis Resources Inc. (“Taranis” or the “Company”) [TSX.V: TRO, OTCQB: TNREF] is pleased to report on activities associated with the proposed acquisition of FortyTwo Metals, which owns the Max molybdenum mine, mill, and tailings storage facility (permitted to operate under small mines permit M-226) near Trout Lake, British Columbia.

Overview

On November 4, 2020, Taranis signed a Letter of Intent with Metallica Minerals that outlined the terms of a deal that would see Taranis acquire a 100% interest in FortyTwo Metals (Taranis News Release dated 11/4/2020). Taranis is investigating the feasibility of processing minerals from Thor through the Max facilities as a means of re-purposing this pre-existing facility; the amalgamation of Max and Thor could have considerable merits as previously outlined by Taranis (News Release dated 11/23/2020).

John Gardiner, President and CEO states, “The Max Project has been dormant for ten years, and Taranis is considering a conceptual opportunity to repurpose Max for processing Ag/Au/Pb/Zn/Cu type material, in this case from our Thor deposit. Taranis has initiated an in-depth examination of the facility, including permitting issues. The Ministry of Energy, Mines and Low Carbon Innovation (“EMLI”) has provided data required for that assessment, and Taranis is working with EMLI to explore a path forward, including the development of a plan and schedule for activities needed to bring the site into compliance with the Mines Act. It is our view that the re-use of the facilities will provide a better platform for environmental and safety monitoring than if the Max project were to remain dormant”.

Taranis is currently investigating the regulatory framework under which its Midway concept must be permitted and operated. Since the FortyTwo Metals’ Max facility is permitted to operate, there may be some efficiencies in this regard. Taranis’ ongoing experience (almost 3 years) permitting a 10,000 tonne bulk sample under a Joint Environmental/Mines Act permitting process (developed for Major Mines) needs to be reconciled with the existing ‘Small Mines Permit’ (M-226) issued in 2005 that Max is permitted to operate under. It is regulatory inconsistencies like this which require careful review. Taranis is hopeful that a pathway can be constructed with EMLI that provides assurance to Taranis the concept is possible, and at the same time ensure Max is put to good use.

Comments

There are many potential benefits of Taranis acquiring Max. Accompanying these benefits are liabilities that need to be examined while conducting due diligence related to the proposed transaction. These need to be carefully weighed with respect to Taranis and its shareholders. John Gardiner, CEO states “In my opinion, it would not be possible for any company to obtain enough funding to bring the site to its expected level of compliance in the absence of two critical factors. The first of these is a technically feasible Mineral Resource within a 20-30 km radius of the Max facility, which Taranis already has (Thor). Second, are concrete indications from the regulatory bodies overseeing permitting and development that there is a real and defined pathway to production that is reasonably expeditious.

We have had excellent dialogue with the EMLI about the complex issues at the Max project, and we continue to make progress understanding these matters. We will inform our shareholders as we make further headway.”

About Taranis Resources Inc.

For additional information on Taranis or its 100%-owned Thor project in British Columbia, visit www.taranisresources.com

Taranis currently has 73,594,500 shares issued and outstanding (84,973,266 shares on a fully-diluted basis).

TARANIS RESOURCES INC.

Per: John J. Gardiner (P. Geol.),
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